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DDI# 4525-82
1 June 1982

MEMORANDUM FOR: Director, Intelligence Community Staff

FROM : Henry S. Rowen
Chairman, National Intelligence CouncilSUBJECT : Your Memo to DCI dated 25 May 1982,
Response to PFIAB

1. The attachment responds to your request for discussion of net assessments.

2. Recognizing that there will not be time to coordinate fully what you will send to the DCI on 4 June, I request that you send copies to your distribution list at the same time you send the memorandum to the DCI.

PFIAB review completed


Henry S. Rowen

Attachment: a/s

VC/NIC:HFHutchinson:1ht (1 Jun 82)

Distribution:

Original - Addressee

1 - HSR Chrono

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25X1

28 May 1982

PFIAB Recommendation in 1976

Fourth recommendation: Net assessments, particularly of weapons systems interaction, will grow in importance and "a renewed effort is required to determine how they can be performed and within what institutional framework."

There is a need for more organized, more skillfully staffed, and more authoritative net assessments that can provide the bottom line on the judgments about the capabilities of US forces under differing conditions. The role of intelligence in these assessments is to supply needed data on foreign systems, assist in developing assumptions about them in the absence of hard data, and generally to play a supporting role.

DCI Actions:

Our experience since 1977 confirms the PFIAB judgment that net assessments, particularly of weapons systems interaction, would grow in importance. The Board was particularly concerned about net assessments of US and Soviet strategic nuclear forces. In line with the PFIAB's recommendation for a renewed effort to determine how they can be performed and within what institutional framework, three of Mr. Casey's predecessors recommended to the President or the Assistant to the President for National Security Affairs that a national level net assessment of the US-USSR strategic balance be conducted in which the Intelligence Community would be a participant. The DCIs were aware that in the absence of such a national net assessment, some of the analyses in NIEs seeking to show trends in Soviet forces were mistakenly being regarded as assessments of US capabilities.

In an August 1975 letter to the President, one comment on NIE 11-3/8 made by the PFIAB was that the Estimate gave the appearance of a net assessment that had taken into account operational considerations, when in substance it had not. As a result of this criticism, subsequent NIEs were explicit about the basis for and the limitations of the type assessments to which the Board had objected. In the late 1970s, however, Department of Defense intelligence agencies registered dissents in the NIEs, citing force interaction analyses as misleading net assessments beyond the purview of intelligence.

Confronted with the net assessments problem, DCI Casey and Secretary Weinberger agreed that the proper framework for conducting a national level net assessment was a joint DoD-DCI undertaking, which is now in progress. In this project, as recommended by the Board, intelligence is providing data on Soviet forces and capabilities and is playing a generally supporting role. The DCI and the Secretary of Defense also agreed that beginning with NIE 11-3/8-81, US forces would not be displayed in NIEs, thereby eliminating the possibility that the NIE would be regarded as an evaluation of US forces or as a net assessment.

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